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DEPT FOR PM, EUR/WE AND EUR/ERA

E.O. 12958: DECL: 03/08/2015 TAGS: <u>ETTC</u> <u>PREL</u> <u>MARR</u> <u>CH</u> <u>FR</u>

SUBJECT: FRANCE: EU CHINA ARMS EMBARGO, CODE OF CONDUCT AND

THE TOOLBOX

REF: STATE 39909

Classified By: Economic Section Chief Ken Merten; REASONS 1.4 (B) AND (D).

- 11. (C) Summary: Our MFA contact reported that internal EU negotiations on the modalities of a strengthened Code of Conduct were completed, while discussions on the "toolbox" were almost done. This GOF export control expert reaffirmed the belief that the EU China Arms Embargo would be lifted before the end of June. He also said that France supports "reduced format" EU discussions to decide which items must not be ultimately considered for sale to China. End summary.
- 12. (SBU) On March 8, Econoff met with Jacques Maillard, MFA Head of Export Controls Office in the Economic Directorate, to obtain an update on EU discussions on the China Arms Embargo and, in particular, the planned strengthening of the EU Code of Conduct and the "toolbox" for post-embargo countries. Econoff shared reftel points concerning the China arms embargo with Maillard, who responded that essentially the same points had been made the previous day in Washington at a meeting that EU representatives had with NSC Senior Director for European and Eurasian Affairs, Dan Fried, implying that he had already been fully briefed on that meeting.
- 13. (C) Maillard mentioned that he was aware of the planned March 14-15 visit to Washington of EU High Representative Solana's special representative for nonproliferation issues, Annalisa Gianella. Maillard said that a French "expert" from the MFA would be accompanying her -- however, without naming the individual, Maillard noted in confidence that the "expert" was quite unfamiliar with the subject.
- 14. (SBU) Maillard said the GOF supported "reduced format" internal EU discussions among the six countries which actually export significant military goods, presumably to decide which items must not be considered for sale to China. However, he thought there was no way out of discussions that include all 25 EU member and candidate countries. With respect to a strategic dialog with the U.S. along the lines mentioned in reftel, Maillard thought it would be more appropriate after the lifting of the embargo than before. Speaking of the EU China Arms Embargo, Maillard reiterated his view that it would be lifted before the end of the Luxembourg presidency, possibly in May, but certainly before the end of June. When EconOff mentioned coincidental timing of the mid-June Paris Air Show, Maillard recalled what he termed a "boycott" of the 2003 Paris Air Show by USG officials, but noted that U.S. industry was still well-represented. Maillard seemed unconcerned about any possible impact EU actions might have on U.S. attendance at the 2005 Paris Air Show.
- 15. (SBU) Econoff raised the Code of Conduct and the toolbox measures for post-embargo countries, to which Maillard responded that internal EU negotiations over the modalities of a strengthened CoC had been completed, while the toolbox was almost done. He gave no further details or an explicit date when either would be adopted, but implied it would be in the next several weeks. Lastly, when Econoff asked if the GOF had made any recent contact with the U.S. legislative branch, Maillard said no but reported that HMG representatives had met recently with congressional staffers, including Thomas Moore from the House International Relations Committee. Leach